

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: New Bedford Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 20, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule assumes payments are made in equal installments on August 1, September 1, October 1, and November 1 each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a 7.50% investment return assumption (the same assumption as used in the January 1, 2018 actuarial valuation). We have generally recommended an assumption of 7.0% to 7.15% for our 2020 actuarial valuations. For comparison, there are 36 systems that currently use an assumption of 7.50% or higher. Conversely, there are 55 systems that currently use an assumption of 7.25% or lower. We expect this figure to increase as more 2020 actuarial valuations are completed. The 7.50% assumption is at the high end of our reasonable range for this assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

Enc.

JWP/jfb

P:\actuarial\APPROP\Approp21\new bedford approval.docx



SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$4,843,958	\$30,657,416	\$1,250,000	\$36,751,374		\$394,656,908
2022	5,013,497	32,222,451	1,500,000	38,735,948	5.40%	392,945,930
2023	5,188,969	34,138,720	1,500,000	40,827,689	5.40%	389,508,266
2024	5,370,583	36,235,291	1,500,000	43,105,874	5.58%	383,855,703
2025	5,558,554	38,452,628	1,500,000	45,511,182	5.58%	375,637,982
2026	5,753,104	40,797,603	1,500,000	48,050,707	5.58%	364,539,378
2027	5,954,462	43,277,473	1,500,000	50,731,935	5.58%	350,213,469
2028	6,162,868	45,899,909	1,500,000	53,562,777	5.58%	332,280,439
2029	6,378,568	48,673,012	1,500,000	56,551,580	5.58%	310,324,152
2030	6,601,818	51,605,339	1,500,000	59,707,157	5.58%	283,888,990
2031	6,832,882	54,705,935	1,500,000	63,038,817	5.58%	252,476,421
2032	7,072,033	57,984,351	1,500,000	66,556,384	5.58%	215,541,288
2033	7,319,553	61,450,676	1,500,000	70,270,229	5.58%	172,487,793
2034	7,575,738	65,115,570	1,500,000	74,191,308	5.58%	122,665,148
2035	7,840,889	68,800,029	1,500,000	78,140,918	5.32%	65,362,868
2036	8,115,320	-	1,500,000	9,615,320	-87.69%	-
2037	8,399,356	-	1,500,000	9,899,356	2.95%	-
2038	8,693,333	-	1,500,000	10,193,333	2.97%	-
2039	8,997,599	-	1,500,000	10,497,599	2.98%	-
2040	9,312,515	-	1,500,000	10,812,515	3.00%	-
2041	9,638,454	-	1,500,000	11,138,454	3.01%	-
2042	9,975,800	-	1,500,000	11,475,800	3.03%	-
2043	10,324,953	-	1,500,000	11,824,953	3.04%	-
2044	10,686,327	-	1,500,000	12,186,327	3.06%	-
2045	11,060,349	-	1,500,000	12,560,349	3.07%	-
2046	11,447,460	-	1,500,000	12,947,460	3.08%	-
2047	11,848,122	-	1,500,000	13,348,122	3.09%	-
2048	12,262,806	-	1,500,000	13,762,806	3.11%	-
2049	12,692,004	-	1,500,000	14,192,004	3.12%	-
2050	13,136,225	-	1,500,000	14,636,225	3.13%	-